

BOARD OF DIRECTORS
OF THE
UNIVERSITY OF CONNECTICUT HEALTH CENTER
FINANCE CORPORATION

MINUTES OF THE SEPTEMBER 25, 2009 MEETING

BOARD OF DIRECTORS PRESENT:

Mr. McHugh, President Hogan, Dr. Laurencin, and Mr. Shepperd

ATTENDEES:

Mr. Biancamano, Mr. Geoghegan, Mr. Gray, Attorney Kleinman, Ms. Leone, Dr. MacNeil, Dr. Summerer, and Mr. Thibeault

1. **REVIEW AND APPROVAL OF THE MINUTES OF THE JUNE 22, 2009 MEETING**

On a motion duly made and seconded, the Board approved the minutes of the June 22, 2009 meeting.

2. **REVIEW AND APPROVAL OF A PURCHASE ORDER AMENDMENT FOR JEFFERS AND IRELAND FOR BID #5-1868**

A request for proposal was completed in November 2007 for the period of December 1, 2007 through November 30, 2010. The Hospital has used Jeffers and Ireland for on-call legal services, and is currently using the firm as counsel related to the ongoing affiliation discussions with Hartford Healthcare. Substantial negotiation and due diligence activities remain with respect to various matters affecting the integration agreement and sub-agreements. In addition, advice of special counsel and outside economic consultants will be required with respect to specific antitrust, labor and bond/financing matters. As a result of this work, purchase order amendment #4 is requested for an additional \$750,000 to cover estimated costs through November 30, 2009. This will bring the purchase order to an amount not to exceed \$2,000,000.

On a motion duly made and seconded, the Board of Directors approved the purchase order amendment on behalf of John Dempsey Hospital for on-call legal services which would increase the purchase order to an amount not to exceed \$2,000,000, and that the Executive Director be authorized to enter into said purchase order amendment.

3. **REVIEW AND APPROVAL OF THE MASSACHUSETTS GENERAL HOSPITAL INSTITUTE FOR HEALTH POLICY CONTRACT AMENDMENT ON BEHALF OF THE JOHN DEMPSEY HOSPITAL**

The DPH Consent Agreement stipulated that a three-month review and a six-month review be done to assess implementation of the MGH-CPE recommendations and performance-

improvement plan. The additional cost of these reviews is estimated to be \$456,000, which includes the initial assessment fee of \$20,000 for the pre-contract phase, and all expenses and consulting fees, bringing the total cost of the MGH-CPE engagement to \$800,000.

On a motion duly made and seconded, the Board of Directors approved a contract amendment, on behalf of the John Dempsey Hospital with the Massachusetts General Hospital Institute for Health Policy for consulting services through December 31, 2009, and that the Executive Director be authorized to enter into a contract amendment in an amount not to exceed \$800,000.

4. REVIEW AND APPROVAL OF THE SODEXO CONTRACT AMENDMENT ON BEHALF OF JOHN DEMPSEY HOSPITAL

Currently, Sodexo provides patient nutrition services, and cafeteria operations at the main building, Munson Road, and the Medical Arts and Research Building. Calculation of the cost of these services utilizes a methodology that accumulates all product, labor, other operating expenses, and management fees, less revenue generated by the cafeteria operation, to determine a net cost to Sodexo. The contract does, however, provide for an annual guaranteed ceiling on the amount the Health Center pays. If the net cost to Sodexo exceeds the guaranteed ceiling, the Health Center only pays for an amount listed as other services. Other Services include catering services for functions, food stock in patient areas, nutrition counseling, and courtesy meals provided to volunteers, and others.

On a motion duly made and seconded, the Board of Directors approved a contract amendment, on behalf of the John Dempsey Hospital with Sodexo for food and nutrition services for the period October 1, 2009 through September 30, 2010, and that the Executive Director be authorized to enter into said contract amendment in an amount not to exceed \$2,749,707.

5. REVIEW AND APPROVAL OF A CONTRACT AMENDMENT WITH TELEVISION RENTAL CORPORATION (TVR) ON BEHALF OF JOHN DEMPSEY HOSPITAL

The TVR contract was set up as a closed lease for 96 months with no upfront capital outlay by UCHC. The total cost of the system including all equipment, installation, maintenance, satellite channel subscription fees, collector/attendants' salary, etc. was determined and divided by 96. Fees collected from daily patient rentals paid for a portion of the lease with JDH filling in the difference each month. This total amount varied from month-to-month depending on the number of rentals and collections.

Surveys indicated patient dissatisfaction with the previous arrangement. JDH was the only hospital in the region charging patients for television viewing. A senior management decision was made, and the JDH budget was adjusted, to cover this cost without soliciting rental charges from patients. The impact of this adjustment would be a cost of \$14,200 per month, approximately \$7,350 additional in expenses per month, for the remainder of the 13 months of the contract term.

On a motion duly made and seconded, the Board approved a contract amendment, on behalf of John Dempsey Hospital with Television Rental Corporation (TVR) in an amount not to exceed \$709,150 for the remaining term of the contract and that the Executive Director be authorized to enter into said contract amendment.

6. **APPROVAL OF THE WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS FOR THE JOHN DEMPSEY HOSPITAL**

On a motion duly made and seconded, the Board approved the write-off of 1,464 accounts totaling \$271,537.30 for the period June 1, 2009 through August 31, 2009, for the John Dempsey Hospital (Transmittal Numbers 1148 through 1178) as returned from the collection agencies.

7. **APPROVAL OF THE WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS FOR THE UCONN MEDICAL GROUP**

On a motion duly made and seconded, the Board approved the write-off of 4,681 accounts totaling \$157,644.22 for the period May 1, 2009 through July 31, 2009 for the University Physicians (Transmittal Number 114) as returned from the collection agencies.

8. **APPROVAL OF THE WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS FOR UCONN DENTAL CLINICS**

On a motion duly made and seconded, the Board approved the write-off of 1215 accounts totaling \$311,492.09 for the period May 28, 2009 through August 26, 2009 for the UConn Dental Clinics (Transmittal Number DC 127) as returned from the collection agencies.

9. **APPROVAL OF THE WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS FOR UNIVERSITY DENTISTS**

On a motion duly made and seconded, the Board approved the write-off of 12 accounts totaling \$6,932.70 for the University Dentists (Transmittal Number UD011) as returned from the collection agencies.

10. **REVIEW AND APPROVAL OF THE FUTURE FINANCE CORPORATION BOARD OF DIRECTORS MEETING SCHEDULE**

On a motion duly made and seconded, the Board approved the 2009-2010 Board of Directors meeting schedule as presented.

11. **PURCHASES MADE/CONTRACTS EXECUTED BY THE FINANCE CORPORATION FOR THE PERIOD JUNE 1, 2009- AUGUST 31, 2009**

Board Members reviewed the list of purchases made and contracts executed by the Finance Corporation for the period of June 1, 2009 – August 31, 2009.

12. ELECTION OF DIRECTORS OF THE UHCFC MUNSON ROAD CORPORATION

Bylaws for the UHCFC Munson Road Corporation were adopted on October 29, 2004 by its Board of Directors.

Article II, Section 1. (a) defines the sole member of the UHCFC Munson Road Corporation as the University of Connecticut Health Center Finance Corporation. Article III, Section 2, outlines the number of directors as follows:

“The number of directors who will constitute the entire Board of Directors shall be not less than four (4) nor more than (7). At least 50% of the members comprising the Board of Directors...shall be members of the Board of Directors of the Sole Member.”

Article III, Section 3, states that the directors shall be elected by the Sole Member to serve until the next annual meeting.

On a motion duly made and seconded, the Board of Directors of the University of Connecticut Health Center Finance Corporation, as sole member of the UHCFC Munson Road Corporation, elect four to seven (4-7) directors to serve on the Board of the UHCFC Munson Road Corporation. The newly-elected directors are: Lawrence D. McHugh, Michael J. Hogan, Cato T. Laurencin, MD, PhD and Michael Cicchetti.

13. UPDATE REGARDING THE REFORMULATION OF JOHN DEMPSEY HOSPITAL AND HARTFORD HEALTHCARE

There were no updates discussed at this time.

14. EXECUTIVE SESSION

Executive session did not take place.

With no further business, the meeting adjourned at 9:38 a.m.

Respectfully submitted,

Richard D. Gray
Executive Director